

The Honorable James L. Robart

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
SEATTLE DIVISION

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

v.

PATH AMERICA, LLC; PATH AMERICA
SNO CO LLC; PATH AMERICA FARMER'S
MARKET, LP; PATH AMERICA KING CO
LLC; PATH AMERICA TOWER, LP; PATH
TOWER SEATTLE, LP; POTALA TOWER
SEATTLE, LLC; and LOBSANG DARGEY,

Defendants, and,

POTALA SHORELINE, LLC; POTALA
VILLAGE KIRKLAND, LLC; DARGEY
DEVELOPMENT, LLC; DARGEY
ENTERPRISES, LLC; PATH OTHELLO,
LLC; PATH FARMER'S MARKET, LLC; and
DARGEY HOLDINGS, LLC,

Relief Defendants.

Case No. 2:15-cv-01350-JLR

STIPULATED MOTION AND ~~PROPOSED~~
ORDER TO EXTEND CLOSING DEADLINE
FOR RESTRUCTURING OF MARKETPLACE
PROJECT

NOTE ON MOTION CALENDAR: Date of
Filing per [Local Civil Rules 10(g), 7(d)1]

STIPULATED MOTION

PLEASE TAKE NOTICE that Michael A. Grassmuck (the "Receiver"), the court-appointed Receiver for Path America LLC; Path America SnoCo LLC; Path America Farmer's Market, LP; Potala Shoreline, LLC; Potala Village Kirkland, LLC; Dargey Development, LLC; Dargey Enterprises, LLC; Path Farmer's Market, LLC; and Dargey Holdings, LLC, and Plaintiff Securities and Exchange Commission ("SEC")¹, hereby file this stipulated motion ("Stipulated Motion") for an order granting a short extension to the existing May 30, 2017 closing deadline for the restructuring transaction for the commercial development project commonly known as Everett Farmers Market ("Marketplace Project") submitted by EB5 Group, LLC ("EB5G").

WHEREAS, on May 16, 2017, the Court entered an Order Granting Motion for Final Approval of the Disposition of the Marketplace Project (the "Final Approval Order") which, among other things, provided that the closing of the restructuring transaction for the Marketplace Project shall be completed on or before May 30, 2017;

WHEREAS, the Final Agreements, as defined in the Final Approval Order, and approved by this Court, also specified that closing would occur by May 30, 2017;

WHEREAS, since the entry of the Final Approval Order, the Receiver and EB5G have continued to diligently work to finalize all aspects of the restructuring transaction in order to facilitate a closing on or before May 30, 2017, including coordinating with the title company

handling the closing to ensure all appropriate documents and instructions are prepared and approved, negotiating and securing releases of relevant existing liens encumbering the property, and to comply with additional requirements to closing imposed by the existing lender for the Marketplace Project, Voya Insurance and Annuity Company;

WHEREAS, the Receiver and EB5G are diligently working to meet all requirements to closing but request a short extension of the present closing deadline. While the Receiver and EB5G will continue working to meet the original deadline, there may be delays beyond such

¹ The Receiver and the SEC are together referred to herein as the "Parties."

1 parties' control. Accordingly, a short extension is appropriate to ensure all closing requirements
2 can be met and all necessary documents and funds submitted to escrow for closing.

3 **WHEREAS**, the Receiver and EB5G anticipate that all closing requirements can be met
4 on or before June 9, 2017, and expressly agree to an extension of the closing deadline to this date
5 notwithstanding anything stated to the contrary in the Final Agreements;

6 **WHEREAS**, EB5G's agreement to the extension of the closing deadline to June 9, 2017, is
7 as reflected in its counsel's email to the Receiver, a true and correct copy of which is attached
8 hereto as **Exhibit A**;

9 **WHEREAS**, the Parties hereto have conferred regarding extending the deadline to close
10 the restructuring transaction for the Marketplace Project, and have agreed that the current deadline
11 of May 30, 2017 should be extended to June 9, 2017.

12
13 **THEREFORE**, the Parties hereby **STIPULATE** and **AGREE** as follows:

- 14 1. The deadline to close the restructuring transaction for the Marketplace Project, is to
15 be extended to June 9, 2017; and
16 2. All other deadlines and requirements established in the Final Approval Order shall
17 otherwise remain unchanged.

18 **IT IS SO STIPULATED.**

1 Dated: May 25, 2017

ALLEN MATKINS LECK GAMBLE
MALLORY & NATSIS LLP

By: /s/ Michael R. Farrell

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(Pro Hac Vice Granted Oct. 26, 2015)
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(Pro Hac Vice Granted Nov. 6, 2015)
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11
12 Dated: May 25, 2017

SECURITIES AND EXCHANGE
COMMISSION

By: /s/ Susan F. LaMarca

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~~PROPOSED~~ ORDER

The Court, having read the Stipulated Motion and Proposed Order to Extend Closing Deadline for Restructuring of Marketplace Project, (the "Stipulated Motion"), filed by Michael A. Grassmuck, the Court-appointed receiver for Path America LLC; Path America SnoCo LLC; Path America Farmer's Market, LP; Potala Shoreline, LLC; Potala Village Kirkland, LLC; Dargey Development, LLC; Dargey Enterprises, LLC; Path Farmer's Market, LLC; and Dargey Holdings, LLC, and Plaintiff Securities and Exchange Commission—which seeks an order extending the present deadline to close the restructuring transaction for the mixed use development project currently known as Potala Marketplace (the "Marketplace Project"), located at 2900 Grand Avenue, Everett, Washington as approved by this Court's Order Granting Motion for Final

Approval of the Disposition of the Marketplace Project (the "Final Approval Order") entered on May 16, 2017—and good cause appearing therefor, hereby **ORDERS** as follows:

1. The Stipulated Motion is hereby Approved;
2. The present May 30, 2017 deadline to close the restructuring transaction for the Marketplace Project is hereby extended to June 9, 2017; and
3. All other deadlines and requirements established in the Final Approval Order shall otherwise remain unchanged.

IT IS SO ORDERED.

Dated: May 26, 2017


Hon. James L. Robart
Judge, United States District Court

CERTIFICATION OF MEET AND CONFER

In accordance with Local Civil Rule 5(g)(3)(A), I hereby certify that I met and conferred with all other parties to this Stipulated Motion and Proposed Order to Extend Closing Deadline for Restructuring of Marketplace Project on May 25, 2017, by way of e-mail communications with counsel for the Parties, and the Parties agree that the May 30, 2017 deadline previously established by the Court to close the restructuring transaction for the mixed use development project currently known as Potlatch Marketplace, located at 2900 Grand Avenue, Everett, Washington should be extended to June 9, 2017.

Dated: May 25, 2017

/s/ Michael R. Farrell

Michael R. Farrell, Esq. #173831 (CA)
(Pro Hac Vice Granted Nov. 6, 2015)

CERTIFICATE OF SERVICE

I hereby certify that on May 25, 2017, I caused the foregoing document to be electronically filed with the Clerk of the Court using the CM/ECF system which will send notification of the filing to all counsel of record.

Dated: May 25, 2017

/s/ Michael R. Farrell
Michael R. Farrell, Esq. #173831 (CA)
(Pro Hac Vice Granted Nov. 6, 2015)